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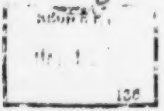

FORM 10-Q

Securities and Exchange Commission
Washington, DC 20549

Quarterly Report Under Section 13 or 15(d) of the
Securities Exchange Act of 1934

C92-2234

For Quarter Ended: March 31, 1992

Commission File No.: 2-95740

BANCTENN CORP.
(Exact name of registrant as specified in its chapter)

Tennessee
(State or other jurisdiction of incorporation)

62-1225291
(IRS Employer I.D.No.)

PROCESSED BY
MAY 15 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

L30

301 E. Center Street
Kingsport, Tennessee 37662
(Address of principal executive offices)

(615) 378-9500
(Registrant's telephone number, including a

Not Applicable
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (Yes ✓ No ___), and (2) has been the subject of such filing requirements for the past 90 days (Yes ✓ No ___).

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of registrant's $8.00 par value common stock outstanding as of March 31, 1992 (and outstanding as of the filing of this report): 361,956 shares. The $8.00 par value common stock is the only class of stock issued by registrant.

Part 1. FINANCIAL INFORMATION

Item 1. Financial Statements.

The information required by Rule 10-01 of Regulation S-X is attached hereto as Exhibit 1 to the Form 10-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required under this Item is Attached hereto as Exhibit 2 to this Form 10-Q.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on it's behalf by the undersigned duly authorized.

BANCTENN CORP.

By: _____

Colon Terrell
President and CEO
BancTenn Corp.

BANCTENN CORP
CONSOLIDATED BALANCE SHEET
(in thousands)

	03/31/92	12/31/91
ASSETS		
Cash and due from banks	$8,781	$7,007
Interest bearing balances with banks	0	0
Investment Securities:		
U.S. Treasury Securities	5,030	5,036
Federal Agencies	31,305	34,366
State and Political Subdivisions	3,218	3,365
Other Securities	840	2,184
Allowance for Unrealized Loss		(20)
Total Investment Securities	40,394	44,931
Federal funds sold	305	1,290
Loans	77,994	72,397
Less: Unearned Income	(350)	(397)
Reserve for possible loan loss	(1,086)	(1,133)
Net loans	76,557	70,867
Bank premises and equipment	4,453	4,456
Accrued interest receivable	1,185	1,214
Other real estate owned	291	673
Other Assets	513	421
Total Assets	$132,479	$130,859
LIABILITIES AND STOCKHOLDERS' EQUITY		
Non-interest bearing demand deposits	$17,523	$17,125
Interest bearing transacton accounts and savings deposits	44,857	31,176
Certificates of deposit ($100,000 & over)	12,732	11,233
Other certificates of deposit	43,164	58,940
Total interest bearing deposits	100,753	101,349
Total deposits	118,276	118,474
Federal funds purchased and agreements to repurchase	3,334	1,671
Long-term debt	1,200	1,200
Accrued interest payable	363	406
Other liabilities	214	220
	123,388	121,972
STOCKHOLDERS' EQUITY		
Common stock, $8 par value, 1,000,000 shares authorized, 361,956 issued & outstanding	2,896	2,896
Surplus	2,017	2,017
Retained Earnings	4,178	3,994
Net unrealized loss on marketable securities	0	(20)
Total Stockholders' Equity	9,091	8,887
Total Liabilities and Stockholders' Equity	$132,479	$130,859

BANCTENN CORP
CONSOLIDATED STATEMENT OF INCOME
(in thousands)

	Three Months Ended March 30,		Three Months Ended March 30,	
	1992	1991	1992	1991
Interest Income:				
Interest and fees on loans	$1,732	$2,181	$1,732	$2,181
Interest on deposits in banks	0	12	0	12
Interest on federal funds sold	9	7	9	7
Interest on investment securities:				
Taxable	761	667	761	667
Tax-exempt	67	80	67	80
Total interest income	2,569	2,947	2,569	2,947
Interest Expense:				
Interest on deposits	1,198	1,745	1,198	1,745
Interest on fed funds purchased	31	10	31	10
Interest on long-term debt	19	35	19	35
Total interest expense	1,248	1,790	1,248	1,790
Net interest income	1,321	1,157	1,321	1,157
Provision for loan losses	75	150	75	150
	1,246	1,007	1,246	1,007
Non-interst Income:				
Service charges on deposit accounts	173	159	173	159
Other operating income	64	68	64	68
Securities gains (losses)	(11)	0	(11)	0
Total non -interst income	226	227	226	227
	1,472	1,234	1,472	1,234
Non-interest Expense:				
Salaries	386	353	386	353
Employee benefits	91	82	91	82
Net occupancy expense	92	95	92	95
Equipment expense	71	70	71	70
Other expenses	480	398	480	398
Total non-interst expense	1,120	998	1,120	998
Income before Income Tax Expense	351	236	351	236
Income tax expense (benefit)	122	68	122	68
Net Income	229	168	229	168
Net Income per share (361,956 shares issued)	$0.63	$0.46	$0.63	$0.46
Dividends per share	$0.125	$0.125	$0.125	$0.125

BANCTENN CORP
ABBREVIATED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 30, 1992	1991
OPERATING ACTIVITIES:		
Net Income	$229	$168
Adjustments to reconcile net income to net cash provided by operations	377	(591)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	607	(423)
INVESTING ACTIVITIES:		
Time deposits and investment securities	4,557	221
Federal funds sold	985	(1,890)
Loans	(5,718)	3,318
	(76)	(31)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(252)	1,618
FINANCING ACTIVITIES:		
Net increase in Demand Deposits, Now Accounts and Savings Accounts	14,079	(1,617)
Certificates of Deposits	(14,277)	(780)
Federal Funds Purchased	1,663	(925)
Increase (Decrease) in Long-Term Debt	0	0
Cash dividends paid	(45)	(45)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,420	(3,367)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,775	(2,172)
Cash and Cash Eaquivalents, Beginning	7,007	8,823
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$8,781	$6,651

BANCTENN CORP

Management's Discussion and Analysis of
Financial Condition and Results of Operations

Financial Position - March 31, 1992

BancTenn Corp. is a bank holding company which was organized November 1, 1985, and purchased the shares of Bank of Tennessee. The Company previosly established and owned 100% of the issued and outstanding shares of common stock, $1.00 par value, of BancTenn Mortgage Corporation. The Mortgage Corporation was established to operate as a "pass through" lender in originating and closing residential loans on behalf of the Bank and in selling such loans in the secondary market. The operations of the Mortgage Corporation and the Bank were subsequently consolidated and the Mortgage Corporation dissolved. Since December 31, 1985, total assets of the Corporation have grown from $70.8 million to $132.5 million as of March 31, 1992.

The reserve for loan losses represented 1.40% of loans net of unearned at March 31, 1992, compared to 1.57% on December 31, 1991. Non-performing loans were $2.437 million or 3.14% of loans on March 31, 1992, compared with $2.782 million, or 3.86% on December 31, 1991. As of March 31, 1992, there were no concentrations of credit to any particular industry or economic sector exceeding 5% of total loans with no loans to countries or businesses outside the United States. The Corporation's capital to asset ratio increased from 6.79% on December 31, 1991, to 6.86% as of March 31, 1992. Over the remainder of 1992, Management will continue reviewing deposit and asset growth, and limit the amount of dividend payout, which should aid in further improvement of the capital to asset ratio.

Net income for the three months ending March 31, 1992, was $229 thousand reflecting a .69% return on assets and a 10.08% return on equity. The net interest margin during this period was 4.59% compared with 4.29% YTD during the last quarter, 1991. A factor affectig the net interest margin has been the interest sensitivity gap. The bank's gap position has consistently been positively gaped within the 90-day range with a cumulative RSA-RSL at $6.2 million as of March 31, 1992, due to the high volume of variable rate loans. Within the one year range, the gap position has consistently been negatively gaped with a cumulative RSA-RSL at a negative $3.5 million as of March 31, 1992, due to the longer maturities in the investment portfolio. The Bank's Asset/Liability Committee has been and will continue to work toward repositioning the gap to provide a more stable net

interest margin. During the first quarter, the effective tax rate was 34.76%. The tax position of the Bank is reviewed periodically by Management and any necessary changes are made to maximize income.